

Message Text

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64

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAJ-01

AID-05 CEA-01 COME-00 EB-07 FRB-03 CIEP-01 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 /088 W

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R 271819Z JAN 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 8474

INFO AMEMBASSY BONN

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E.O. 11652: N/A

TAGS: ELAB. UI

SUBJECT: TUC-LABOR LIAISON HOLD AMICABLE DISCUSSION ON
JOBLESSNESS BUT PRESSURE FOR ACTION MOUNTING

REF: (A) LONDON 1191; (B) LONDON 1046

SUMMARY - THE TUC-LABOR LIAISON COMMITTEE MET YESTERDAY
(JANUARY 26) - AFTER THE LAST UNEMPLOYMENT FIGURES WERE
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ANNOUNCED (REFTELS A AND B) - TO DISCUSS MEASURES TO

COUNTERACT JOLESSNESS. TUC SPOKESMEN DESCRIBED THE MEETING IN GENERALIZABLE TERMS ALTHOUGH EMPHASIZING THAT THERE HAD BEEN SOME "TOUGH TALKING" ABOUT THE PROBLEM. THE TUC GENERAL COUNCIL WILL DEBATE THE ISSUES AGAIN TOMORROW, AND THERE WILL BE FURTHER MEETINGS IN FEBRUARY PREPARATORY TO THE PUBLICATION OF THE TUC'S ANNUAL ECONOMIC REVIEW. END SUMMARY.

1. THE TUC PRESSED THE CHANCELLOR OF THE EXCHEQUER, DENIS HEALEY, FOR IMPROVED JOB CREATION FACILITIES; JOB PROTECTION -- INCLUDING IMPLEMENTATION OF THE EMPLOYMENT PROTECTION ACT WHICH WOULD DELAY MASS DISMISSALS; A MORE ACTIVE ROLE FROM THE NATIONAL ENTERPRISE BOARD, IN TERMS OF EXTRA GOVERNMENT MONEY FOR STOCKBUILDING IN THE MACHINE TOOL AND OTHER INDUSTRIES AND AID TO INDUSTRIAL INVESTMENT. SOME EMPHASIS WAS ALSO PLACED ON THE NEED TO STIMULATE THE CONSTRUCTION INDUSTRY AS WELL AS ON SELECTIVE IMPORT CONTROLS FOR HARD-PRESSED INDUSTRIES. (RECENTLY DURING A MEETING WITH US, WHEN DAVID BASNETT, GENERAL AND MUNICIPAL WORKERS, RAISED THE QUESTION OF IMPORT CONTROLS, HUGH SCANLON, ENGINEERS, SAID, SARDONICALLY: "COME OFF IT, YOU KNOW THAT'S NOT ON.") HEALEY PROMISED TO CONSIDER THE TUC'S SHOPPING LIST.

2. A TUC SOURCE INDICATED TO US THAT THE TUC LEADERSHIP "WAS REALISTIC ABOUT REAL PROSPECTS," AND HE QUOTED LEN MURRAY'S STATEMENT THAT THERE WAS NO "MAGIC WAND" IN RESOLVING THE UNEMPLOYMENT PROBLEM. ALTHOUGH OUR SOURCE SAID HE WAS RELUCTANT TO USE "COSMETIC" TO DESCRIBE THE MEASURES THE TUC MAY REASONABLY EXPECT TO SEE THE GOVERNMENT ENACT, IT WAS ESSENTIAL "THAT THE GOVERNMENT BE SEEN TO BE TAKING ACTION." IT IS EXPECTED THAT HEALEY WILL ANNOUNCE SOME EMPLOYMENT PRODUCING MEASURES BEFORE THE SPRING BUDGET.

3. COMMENT: THUS, THE TUC APPEARS TO BE HOLDING THE LINE FOR THE MOMENT, EVEN AS REASSURE FOR ACTION SEEMS TO BE GROWING WITHIN THE ORGANIZATION. FOR EXAMPLE, THE CIVIL AND PUBLIC SERVICES ASSOCIATION (CPSA) AND THE SOCIETY OF GRAPHICAL AND ALLIED TRADES (SOGAT) ARE CALLING LIMITED OFFICIAL USE

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FOR A SPECIAL RECALL CONFERENCE OF THE TUC AND THE LABOR PARTY TO DISCUSS JOBLESSNESS. AS THE RISING TREND IN UNEMPLOYMENT REMAINS UNCHECKED, THE NUMBER OF LONG-TERM UNEMPLOYED WILL GROW, AND THIS WILL POSE A NEW DIMENSION TO THE PROBLEM. (A MAJOR FORM OF UNEMPLOYMENT COMPENSATION ELIGIBILITY ENDS AFTER 10 MONTHS UNLESS THE GOVERNMENT EXTENDS IT BY LAW - SEE SEPTEL FOR IMPLICATIONS OF THIS ON THE UNEMPLOYMENT DEBATE.) IN ANY EVENT, THE PRES-

SURES ON THE TUC LEADERSHIP MAY BE EXPECTED TO CONTINUE
THEIR PERCOLATION UPWARDS AND IT REMAINS TO BE SEEN HOW
LONG IT WILL BE ABLE TO MAINTAIN ITS ATTITUDE OF CALM
AND SYMPATHETIC UNDERSTANDING OF THE GOVERNMENT'S MINIMAL
ACTION APPROACH.

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